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International Association of Assessing Officials



Indiana County Assessors Association
Indiana Township Assessors Association
Association of Indiana Counties

August 23, 2011

Mr. Barry Wood, Assessment Director
Indiana Department of Local Government Finance
100 North Senate Avenue, N 1058(B)
Indianapolis, IN 46204

RE: St. Joseph County Ratio Study
2011 pay 2012

Dear Mr. Wood:

The enclosed data for St. Joseph County reflects the proposed Assessed Value Changes for the March 1, 2011, assessment year. We have conducted a ratio study based on sales in the Residential, Industrial, and Commercial classes for the purpose of Annual Adjustment to market value as required by 50IAC27, using guidelines provided by the Department of Local Government Finance.

The study includes all available sales from the 14-month period of January 1, 2010 through February 28, 2011. This time frame was expanded for some neighborhoods and property classes with time adjusted sales, per IAAO Standard, to ensure a sufficient sales sample. Properties were reviewed for characteristics at the time of sale, and records updated to reflect all changes. Commercial and Industrial sales were additionally reviewed against MLS data, and verified by independent consultation.

Initially, the study included sales of all distressed properties (bank sales) as well as arm's length transfers to identify a "preponderance of sales" in all classes. Those sales which did not meet the market value test for foreclosures defined under the January 11, 2011, Annual Adjustment Guidance were removed from the study, and identified as "distressed" on the attached "Sales not Used" worksheet. Additionally, sales were excluded which had a change in use or property class (i.e. rental properties using income valuation, land removed from Developer's discount, new construction, etc.) or did not meet other tests of acceptability when verified by our Sales Disclosure Department.

All acceptable sales were stratified by property class type, township, sub-class code, and neighborhood for this analysis. We researched and trimmed outliers, applied suggested factors, and calculated the 2011 pay 2012 assessments contained in the attached workbook. Specific township and property class information follows:

Improved Residential: Greene Township had a total of 9 valid improved residential sales. The sales window was expanded to include 2008 and 2009 sales, but this study was discarded when results indicated no impact on the 2011 assessments. We then combined Greene Township with Lincoln Township, which is composed of similar properties, and produced satisfactory results. Madison Township, which is primarily agricultural, had only two sales valid for trending. The sales window was expanded to include time-adjusted 2009 sales and, showing no indication of change, time-adjusted 2008 sales as well. Still showing a stagnant market, these two studies were disregarded. Madison Township was then compared with the similar townships of Union, Lincoln, Liberty, and Olive. Again, no trending was indicated. Portage Township had a high number distressed sales, investment (rental) sales, and rehab sales which were reviewed for their impact on South Bend neighborhoods. While most were invalidated, those that truly reflected the market in high foreclosure areas were used in this study to determine the decline in property values.

Vacant Residential: Clay, Penn, and Portage Townships had sufficient sales for trending in this category. Centre, German, Harris, Liberty, and Warren Townships each had fewer than 5 vacant residential sales, and therefore were combined for the study. Five remaining townships, Greene, Lincoln, Madison, Olive, and Union had no valid sales. The result of the combined township study did not indicate a change in value for any of the ten townships.

Improved Commercial: Due to insufficient sales of commercial property in many townships, the study was conducted on a county-wide basis by Property Class Code. All sales were reviewed by an independent commercial property appraiser for validity, and a determination made that there should be no change in values.

Vacant Commercial: We used three years of time-adjusted sales in this category, from January 1, 2008 through February 28, 2011. All vacant land sales were reviewed by an independent commercial property appraiser, and a determination made that there should be no change in values.

Improved Industrial: Five townships had valid sales in the Improved Industrial category, which were reviewed by an independent commercial appraiser. Sales were combined from Centre, German, Lincoln, Penn and Portage Townships for the Industrial Class Codes of 340, 350, and 399.

Vacant Industrial: No valid sales occurred in this classification. Sales were reviewed by an independent commercial appraiser, and values remain unchanged.

Please review the attached ratio study, workbook, and sales not used files for St. Joseph County. Notify me should you find any discrepancies or issues of non-compliance.

Thank you.

Respectfully submitted,

Robin E. Ackerson
Chief Deputy, Compliance Division

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